

Exemption; public forums; congressional candidates. The conduct of public forums involving qualified congressional candidates in the manner described, by an organization otherwise exempt under section 501(c)(3) of the Code, will not constitute participation or intervention in any political campaign within the meaning of section 501(c)(3). Rev. Rul. 66-256 amplified.

ISSUE

Would the conduct of public forums involving qualified congressional candidates by an organization otherwise described in section 501(c)(3) of the Internal Revenue Code, in the manner described below, constitute participation or intervention in any political campaign within the meaning of section 501(c)(3)?

FACTS

The organization is an educational membership organization exempt from federal income tax under section 501(c)(3) of the Code. As one of its programs, the organization monitors and reports on legislative, judicial, administrative, and other governmental activities and developments considered to be of important interest to its members.

The organization proposes to conduct a series of public forums. These forums will be conducted in congressional districts during congressional election campaigns. All legally qualified candidates for the House of Representatives from the congressional districts in question will be invited to participate in a forum.

The agenda at each of the forums will cover a broad range of issues, including, but not limited to, those issues considered to be of important educational interest to the organization's members. Questions to forum participants will be prepared and presented by a nonpartisan, independent panel of knowledgeable persons composed of representatives of the media, educational organizations, community leaders, and other interested persons. Each candidate will be allowed an equal opportunity to present his or her views on each of the issues discussed. The organization will select a moderator for each forum whose sole function will be limited to assuring that the general ground rules are followed. At both the beginning and end of each forum, the moderator will state that the views expressed are those of the candidates and not those of the organization and that the sponsorship of the forum is not intended as an endorsement of any candidate.

LAW AND ANALYSIS

Section 501(c)(3) of the Code provides for the exemption from federal income tax of organizations organized and operated exclusively for charitable or educational purposes, no substantial part of the activities of which is carrying on propaganda, or

otherwise attempting to influence legislation, (except as otherwise provided in section 501(h)), and which do not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

Section 1.501(c)(3)-1(c)(3)(i) of the Income Tax Regulations states that an organization is not operated exclusively for one or more exempt purposes if it is an "action" organization. Section 1.501(c)(3)-1(c)(3)(iii) defines an "action" organization as an organization that participates or intervenes, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office. The regulations further provide that activities that constitute participation or intervention in a political campaign on behalf of or in opposition to a candidate include, but are not limited to, the publication or distribution of written statements or the making of oral statements on behalf of or in opposition to such a candidate.

Rev. Rul. 66-256, 1966-2 C.B. 210, holds that a nonprofit organization formed to conduct public forums at which lectures and debates on social, political, and international matters are presented qualifies for exemption from federal income tax under section 501(c)(3) of the Code.

Rev. Rul. 74-574, 1974-2 C.B. 160, holds that a section 501(c)(3) organization operating a broadcast station is not participating in political campaigns on behalf of public candidates by providing reasonable amounts of air time equally available to all legally qualified candidates for election to public office in compliance with the reasonable access provisions of the Communications Act of 1934, 47 U.S.C. Sec. 312(a)(7), (1982).

Whether an organization is participating or intervening, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office depends upon all of the facts and circumstances of each case. For example, certain "voter education" activities conducted in a non-partisan manner may not constitute prohibited political activities under section 501(c)(3) of the Code. Other so-called "voter education" activities may be proscribed by the statute. Rev. Rul. 78-248, 1978-1 C.B. 154, contrasts several situations illustrating when an organization that publishes a compilation of a candidate's position or voting record has or has not engaged in prohibited political activities based on whether the questionnaire or voting guide in content or structure shows a bias or preference with respect to the views of a particular candidate. See also Rev. Rul. 80-282, 1980-2 C.B. 178, that amplified Rev. Rul. 78-248 regarding the timing and distribution of voter education materials.

The presentation of public forums or debates is a recognized method of educating the public. See Rev. Rul. 66-256. Providing

a forum for candidates is not, in and of itself, prohibited political activity. See Rev. Rul. 74-574. However, a forum for candidates could be operated in a manner that would show a bias or preference for or against a particular candidate. This could be done, for example, through biased questioning procedures. On the other hand, a forum held for the purpose of educating and informing the voters, which provides fair and impartial treatment of candidates, and which does not promote or advance one candidate over another, would not constitute participation or intervention in any political campaign on behalf of or in opposition to any candidate for public office.

The facts and circumstances of this case establish that both the format and content of the proposed forums will be presented in a neutral manner. All legally qualified congressional candidates will be invited to participate in the forum. The questions will be prepared and presented by a nonpartisan, independent panel. The topics discussed will cover a broad range of issues of interest to the public, notwithstanding that the issues discussed may include issues of particular importance to the organization's members. Each candidate will receive an equal opportunity to present his or her views on each of the issues discussed. Finally, the moderator selected by the organization will not comment on the questions or otherwise make comments that imply approval or disapproval of any of the candidates. In view of these facts, the organization will not be considered to be engaged in prohibited political activity.

This conclusion is based on the totality of the circumstances described. The presence or absence of a particular fact here in other similar situations is not determinative of other cases but would have to be considered in light of all the surrounding factors in that case.

HOLDING

The conduct of public forums involving qualified congressional candidates in the manner described above, by an organization otherwise described in section 501(c)(3) of the Code, will not constitute participation or intervention in any political campaign within the meaning of section 501(c)(3).

EFFECT ON OTHER REVENUE RULINGS

Rev. Rul. 66-256 is amplified.